

Improving Healthcare Quality: Application of the Baldrige Process [Articles]

Jensen, Lisa A. MS, RNC, CAN, Lisa A. Jensen, MS, RNC, CNA, Associate Chief Nursing Service,
Veterans Affairs Medical Center, Salt Lake City, Utah.

Outline

- Abstract
- The Baldrige Award
- Application of the Baldrige Criteria
- Benefits of the Self-Evaluation
- Application Process for Pilot Program
- Conclusion
- References

Abstract

The Malcolm Baldrige National Quality Award was established in 1987. Although primarily an award for business and industry, pilot criteria for healthcare settings have been developed. These criteria can be used by healthcare organizations to conduct internal evaluations of their institutions. Benefits of such an evaluation include improvement of an organization's effectiveness and improved healthcare quality for stakeholders.

The need to evaluate the effectiveness of healthcare organizations, from both a quality and cost standpoint, is a current priority. Healthcare executives, including nurse administrators, must lead their organizations to become recognized as healthy and adaptive cultures. One way of achieving this is through the development of a successful quality management system. According to Mahoney,¹ the key dimensions of a quality management system are leadership that equips people to perform, knowledge of customer expectations, provision of satisfied customers, use of strategic planning with follow-through, development and management of human resources, empowerment and involvement of employees, achievement of world class results, use of valid statistical procedures, application of bench-marking, and enhanced supplier relationships and contributions.

Such a quality management system involves the broad assessment of an organization, including all employees. This system must encompass the range of key processes involving suppliers and customers and use data to drive planning and decision making. The Malcolm Baldrige Healthcare Pilot Criteria provide the needed elements for an organization to build such a quality management system.

The Baldrige Award

The Malcolm Baldrige National Quality Award originated in 1987 as Public Law 100-107. Named after Malcolm Baldrige, a former Secretary of Commerce who encouraged the development of a U.S. quality award, it is designed to stimulate quality awareness in the United States. Initially the award the three categories-manufacturing, service, and small business-with the possibility of two awards being granted annually in each of these areas.

Efforts to include a healthcare category in the Baldrige Award program have been underway since the beginning of the program. In 1993, plans were developed to introduce pilot activities in 1994 and 1995 to address issues that could arise in extending eligibility for the Award to healthcare. Preliminary activities were conducted in 1994. In 1995, the Health Care Pilot Program was organized as an eligibility category that parallels the Baldrige Award for businesses (Fig. 1). Healthcare organizations are not eligible for awards at this time, although it is anticipated the category will open up within the next few years. Several states have developed healthcare quality awards that are based on the Baldrige Criteria.

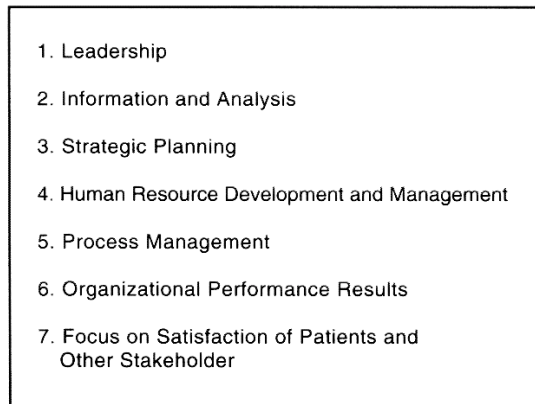
- 
1. Leadership
 2. Information and Analysis
 3. Strategic Planning
 4. Human Resource Development and Management
 5. Process Management
 6. Organizational Performance Results
 7. Focus on Satisfaction of Patients and Other Stakeholder

Figure 1.
1995 Malcolm Baldrige Healthcare Award
criteria categories.

The Malcolm Baldrige National Quality Award Healthcare Pilot Criteria 1995 Booklet 2 describes six key characteristics of the criteria. These include the following:

1. The criteria are directed toward organizational performance results, with emphasis on seven key areas of organizational performance:

Patient healthcare results;
Patient satisfaction;
Other stakeholder satisfaction;
Administrative and business results, including financial indicators;
Community health and public responsibilities;
Human resource performance/development; and
Organizational performance relative to competitors and similar
Healthcare organizations.

2. The criteria are nonprescriptive. They are outcome oriented, composed of 28 interrelated requirements. Emphasis is placed on the regular evaluation of these and other factors as part of the organization's improvement process. The criteria do not prescribe specific tools, techniques, systems, or starting points, nor do they direct how the institution should be organized.

3. The criteria are comprehensive. Internal and external requirements are addressed, as well as public and community responsibilities. All processes within the organization are tied to these requirements.

4. The criteria include learning cycles. Feedback is built into the process and results elements, with the intention that revisions are made within the setting or institution based on that feedback. In other words, when problems are identified by data generated through process action teams and solutions are implemented, data are collected again to determine if the solution has corrected the problem.

5. The criteria emphasize alignment. The learning cycles that are carried out throughout the organization must support one another; therefore, overall aims must be aligned between and among the departments or services within the setting.

6. The criteria are part of a diagnostic system. There are three evaluation dimensions: approach, deployment, and results. Approach refers to the method used to address the requirements, including the appropriateness and effectiveness of that method. Deployment refers to the extent to which the approach is applied to all of the requirements. Results indicate the outcomes in achieving the purposes of the item or requirement, including current

performance levels, comparisons with other organizations, rate of performance improvements, and demonstration of sustained improvement or high-level performance.

The overall goal of the Healthcare Pilot Criteria is to help organizations improve their services in two ways: 1) the delivery of continuously improving services to patients and other stakeholders, which contributes to improved healthcare quality, and 2) the improvement of the overall organization's effectiveness, its use of resources, and the capabilities of the organization.

Application of the Baldrige Criteria

The Baldrige Criteria present a self-evaluation tool that organizations can use to assess their effectiveness in providing quality care. This self-evaluation or internal assessment can be performed at any level within an organization. Thus, the criteria can be applied to the entire institution, or to a specific department, such as the nursing department.

The first step when planning to conduct an internal assessment is to appoint a steering committee. This committee plays a vital role in the successful implementation of the assessment. The steering committee must sell employees on the process. Not all employees need to receive specific Baldrige training, but information regarding the planned use of the criteria and the potential benefits to the institution should be available to all employees. The steering committee also plays a role in ensuring that the assessment teams have access to information necessary in conducting their evaluation.

The steering committee will assign a team of employees to conduct the assessment. This team should be a cross-section of all employees. The team will receive training regarding the criteria and the process. Training can occur internally, or outside consultants can train employees. One way to develop partnerships with businesses is to have individuals from businesses that have applied for Baldrige Awards provide training to employees in the healthcare institution.

After training, the team will choose their leader and determine their schedule for the evaluation. They will gather information from various sources throughout the setting. Earlier work by the steering committee in educating staff members about this process, including the potential benefits, will assist in the data collection phase because cooperation by employees will be heightened. Then the team will prepare a document that addresses how the organization meets or fails to meet the criteria. This report will include identified strengths and areas for improvement.

Benefits of the Self-Evaluation

A self-evaluation or internal assessment can serve a number of purposes within a healthcare setting. The key performance requirements are results oriented, requiring data to demonstrate progress and achievement. To demonstrate achievement, the data must show a sustained performance, and that performance level should be compared with that of other appropriate organizations. Through this benchmarking and trending of data, excellence can be validated. For example, length-of-stay data for specific diagnoses may be compared with like institutions to establish excellence in practice.

Another use of the criteria in improving an organization is to provide a system for interchange between departments. The criteria promote a common language for each department to use in evaluating their own performance. The approach, deployment, or results section allows the institution to track requirements through each of the three phases. Different departments may be involved in working together toward results through approach and deployment phases. Cooperation rather than competition is encouraged. For example, planning improvements in the delivery of care could be done by using financial data that evaluate alternatives and set priorities. Thus, the fiscal department will work with patient care services in planning these improvements.

The criteria provide a tool for staff members to use for improving organizational planning, training, and assessment of processes and quality improvement activities. Training on the process and the criteria help employees to understand total quality improvement, including the concept of continuous improvement. The criteria stress learning

cycles, thus teams learn about the concept of continually improving a process. The criteria also emphasize the evaluation and improvements of healthcare services to enhance quality, effectiveness, and efficiency. This is done by focusing on the maintenance of process performance using measurements, observations, and corrective action, if needed.

The criteria also can be used to promote communication between healthcare organizations through the sharing of best practice information. This is facilitated via the common understanding of key performance requirements and the common language of the criteria. This sharing of information may lead to improved quality of healthcare services to consumers in the United States. For instance, as teams develop solutions to problems, they may share their solutions with other institutions who are struggling with similar issues. The criteria also encourage the development of partnerships between healthcare organizations, businesses, schools, and other agencies.

Another benefit of an assessment is that quality projects of which management is not aware may come to light. Departments are able to display accomplishments to management, which creates an opportunity for employees to celebrate improvements that have been made. As an example, a team may have implemented improvements to a process resulting in improved quality or costeffectiveness. These improvements would be shared with management through the assessment process, allowing an opportunity for the team to be recognized for its success.

The report generated by the assessment team can be used to create a strategic plan for the organization. The criteria provide a format for direct identification of strengths and weaknesses in the organization. From these, plans can be made to better market the current strengths and direct resources to improve the organization. For example, if the results of the assessment indicate a lengthy waiting time for appointments to a specific clinic, additional resources may be directed to that area. Also, patient satisfaction surveys may show that patients are not using a particular service. The organization may then plan to reduce resources for that service or investigate the reasons that the service is not being used by patients.

Application Process for Pilot Program

In addition to an internal assessment, a more formal award application procedure may be implemented by organizations. Gaucher 3 describes such an application and examination process for the Healthcare Pilot program. Data are collected by a team of employees who confer with other employees and medical staff members to request examples of quality improvement efforts. The team then prepares a report based on these data, which includes trending and sustained performance levels, in charts and graphs, with an accompanying brief narrative. A business overview, which also is prepared, outlines the organization's business, including what is most important to the organization and the key factors that influence how the organization operates. The report is limited in length to 85 pages, excluding the overview, which is limited to 4 pages.

Submitted applications will be reviewed and evaluated by a team of at least five expert evaluators. These evaluators are selected from all types of healthcare organizations, as well as individuals from the business sector with suitable experience with healthcare organizations. The evaluators examine the report for evidence that the approach is spelled out and deployed, and that results of these efforts are clear. Applications may progress through three more stages of review, one of which involves a site visit, dependent on the score of the application. All applicants will receive a feedback report after the completion of the review process.

Conclusion

The Baldrige Criteria focus on the improvement of customer satisfaction, operational performance, and financial performance. Application of the Baldrige Award Criteria to an organization can result in a great benefit to that organization. Making quality a top priority is a goal toward which many healthcare settings currently strive. Conducting self-assessments, with the use of tools such as the Baldrige Criteria, and benchmarking with other organizations are routes toward that goal.

References

1. Mahoney FX, Thor CG. The TQM Trilogy: Using ISO 9000, The Deming Prize and The Baldrige Award to Establish a System for Total Quality Management. New York: American Management Association; 1994: 137-138.
2. Health Care Pilot Criteria 1995. Gaithersburg, MD: National Institute of Standards and Technology; 1995:10.
3. Gaucher E, Berman S. Using Malcolm Baldrige national quality award criteria for improvement: an interview with Ellen Gaucher. J Qual Improvement. 1995; 21(5):250-254.